



FILED

OFFICE OF  
INSURANCE COMMISSIONER

2006 MAR 16 P 12:00

Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer

February 27, 2006

Thomas J. Force, General Counsel  
American Medical and Life Insurance Company  
35 Broadway  
Hicksville, New York 11801

Re: Notice of Intent to Suspend Certificate of Authority No.2010 Issued to American Medical and Life Insurance Company.

Dear Mr. Force:

Notice is hereby given pursuant to RCW 48.05.150, that on March 16, 2006, an order will be entered suspending Certificate of Authority No.2010, issued to American Medical and Life Insurance Company.

The basis for the order suspending the certificate of authority is that American Medical and Life Insurance Company has violated Revised Code of Washington § 48.05.250 and Washington Administrative Code § 284-07-050(2) by failing to file its year 2004 April Supplemental filing, including Management's Discussion and Analysis, Insurance Expense Exhibit, and Supplemental Risk Interrogatories, by the April 1, 2005 due date. The April Supplemental filing is a required annual statement supplement per the *National Association of Insurance Commissioners' Quarterly and Annual Statement Filing Instructions*. The Washington Office of the Insurance Commissioner ("OIC") also posts Annual Statement Filing Instructions on its website that indicate that this filing is due by April 1 of the following calendar year. On April 26, 2005, the OIC sent a letter to American Medical and Life Insurance Company, reminding it of this filing discrepancy. No response has been received by OIC to date.

If the year 2004 April Supplemental filing is electronically received in our office prior to the effective date of the suspension, the OIC will forbear imposing the suspension. Chapters 48.04 and 34.05 grant certain rights to appeal the proposed suspension of the certificate of authority. Please conform any request for appeal to the terms of those statutes.

RCW 48.05.185 also affords the Commissioner the latitude to levy a fine in addition to suspension. The OIC has determined that the appropriate penalty is a fine against American Medical and Life Insurance Company of \$10,000. I have attached a Consent

Thomas J. Force, General Counsel  
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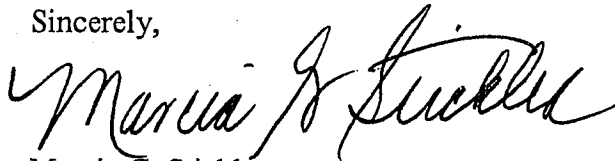
Order to this effect. American Medical and Life Insurance Company may resolve this matter now, without the need for further administrative action, by simply having the appropriate person sign the consent order and paying the fine.

Enclosed are two originals of the proposed Consent Order. If you would like to resolve this matter on the basis of this Consent Order and the fine and conditions outlined therein, both original Orders must be signed and dated by an authorized officer of the company and returned to me. The fine would then be due within thirty days of the date the Order is entered.

If we have not heard back from you by March 16, 2006, this offer will be withdrawn and the OIC will be forced to explore other options.

If you have questions or would like to discuss this matter further, please feel free to contact me by Email, regular mail, or telephone. My contact information is below.

Sincerely,



Marcia G. Stickler  
Staff Attorney  
Legal Affairs Division  
360-725-7048  
360-586-0152 (facsimile)  
marcias@oic.wa.gov

cc: Jim Odiorne



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OFFICE OF  
INSURANCE COMMISSIONER

2006 MAR 16 P 12:00

In the Matter of

Order No. D06-124

Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer

AMERICAN MEDICAL AND  
LIFE INSURANCE COMPANY

CONSENT ORDER  
IMPOSING A FINE

Findings of Fact:

1. American Medical and Life Insurance Company ("American Medical") is authorized to conduct insurance business in Washington State. It issues property and casualty insurance.
2. Revised Code of Washington § 48.05.250 requires every insurer to file an annual statement for the previous calendar year with the Office of the Insurance Commissioner ("OIC") by February 28 of the following year. American Medical violated Revised Code of Washington § 48.05.250 and Washington Administrative Code § 284-07-050(2) by failing to file its year 2004 April Supplemental filing, including Management's Discussion and Analysis, Insurance Expense Exhibit, and Supplemental Risk Interrogatories, by the April 1, 2005 due date. The April Supplemental filing is a required annual statement supplement per the *National Association of Insurance Commissioners' Quarterly and Annual Statement Filing Instructions*. The Washington Office of the Insurance Commissioner ("OIC") also posts Annual Statement Filing Instructions on its website that indicate that this filing is due by April 1 of the following calendar year.
3. On April 26, 2005, the OIC sent a letter to American Medical, reminding it of this filing discrepancy. No response has been received by OIC to date.

Conclusions of Law:

1. American Medical's failure to timely file its calendar year 2004 April Supplemental filing constitutes a violation of RCW 48.05.250(1) and WAC 284-07-050(2).
2. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.

Consent to Order:

American Medical consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

1. American Medical consents to the entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with all applicable laws and regulations of the State of Washington. It waives further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner, related to the subject matter of this Order.

2. Within thirty days of the entry of this Order, American Medical will pay to the Insurance Commissioner a fine in the amount of \$10,000 (ten thousand dollars).

3. Failure to pay the fine in full within thirty days of the entry of this order will constitute grounds for revocation of the certificate of authority held by American Medical in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2006.

AMERICAN MEDICAL AND LIFE INSURANCE COMPANY

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Corporate Title: \_\_\_\_\_

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

Order:

1. American Medical and Life Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$10,000 (ten thousand dollars).

2. Failure to pay the fine timely and in full will constitute grounds for revocation of the certificate of authority held by the insurer in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2006

MIKE KREIDLER  
Insurance Commissioner

By: \_\_\_\_\_

**Marcia G. Stickler**  
Legal Affairs Division